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1955 Farm Outlook Issue

- General Outlook
- Livestock Outlook
- Crop Outlook
- Prices and Price Index Tables

Current Farm Economics

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CONTENTS

The Agricultural Situation for 1955
- General Outlook
  - 1955 Demand 101
  - A Look at 1955 Prices 102
  - 1955 Farmer Income 103
  - 1955 Oklahoma Farm Income 104
- Livestock Outlook
  - Beef Cattle 104
  - Dairying 105
  - Hogs 107
  - Sheep, Lambs and Wool 108
  - Poultry and Eggs 109
- Crop Outlook
  - Cotton 110
  - Wheat 112
  - Feed 114

Prices and Price Index Tables for 1954 116-119

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The Agricultural Situation for 1955

General Outlook

1955 DEMAND

The upturn in business activity during the past few months has provided the basis for optimistic predictions of business conditions for 1955. Many signs warrant such optimism. However, there are also signs that the level of business activity may be only slightly higher in 1955 than in 1954, if annual totals are compared.

In 1954, business was receding from the post-Korean highs. Competition was keen and price cutting or liberal trade-ins prevalent. Although sales were high, reduction of factory orders resulting from inventory curtailment cut production below the levels of consumption, and unemployment was rising. In addition, the sharp cut in government spending during certain months placed a burden on many industries. Nevertheless, the yearly totals reflect good business conditions. Consumers' income after taxes was high and consumers continued to purchase large quantities of goods and services, particularly houses.

Almost the opposite movement is indicated in 1955. Business should move up from the mid-1954 lows. Inventories have leveled out and this will allow production to rise at least to consumption levels. In steel, for example, this will mean a rise from roughly 60 percent of capacity to 75 or 80 percent of capacity. Federal Governmental spending appears to have leveled out at about the 1954 level of more than 60 billion dollars, but state and local government spending should rise. Moreover, consumers appear willing to buy as long as incomes hold up. Their large purchases of all types of goods and services indicate consumer interest and willingness to buy.

However, some segments of the economy may not experience expanding markets in 1955. The outlook is for a decline in business investment for new plant and equipment, which offsets in part the expected rise in other types of construction. The expected decline in business investment is an important reversal of one of the strong factors

contributing to high level demand in the post-World War II period. It is an indication that industrial capacity is rapidly approaching a level sufficient for current needs.

In the agricultural economy also, no major changes are expected in the demand for farm products. Exports are expected to be a little higher, but these will affect government owned or controlled stocks more than they will directly affect cash farm income. Consumer demand for agricultural products is expected to be about as high as in 1954 but purchases on government account may be less. Since production is also expected to be about as large, agricultural prices then may show some downward movement during 1955.

Unemployment is expected to increase seasonally after the first of the year and may average about the same in 1955 as in 1954. Since the labor force is rising, the number of people employed may increase slightly to leave unemployment for the year at less than 5 percent of the labor force.

In the product market, competition will be strong either from the price or the quality standpoint and prewar sales patterns will return. The automobile market illustrates this point. The 1955 line was introduced in such a manner that most of the 1954 models had been sold from the dealers' showrooms when the new models were introduced. As a result, production was low during the third quarter and then greatly increased during the fourth quarter of this year as sales soared. In contrast with 1953, where we had high production during the third quarter followed by relatively low production in the fourth quarter, the 1954 production pattern makes business conditions look very good now. However, this is much less a signal of greatly expanded consumer purchases for the year ahead than it is a return to the usual pattern of sales in the automobile industry. Consequently, the 1955 automobile production pattern should be similar to that experienced in 1954.

A LOOK AT 1955 PRICES

Steady to gradually declining prices are expected for most agricultural commodities in 1955. As an aggregate, the index of prices received by farmers may continue its downward trend. Since the index of prices paid by farmers may hold fairly steady, there may be a small decline in the parity ratio.

During the past 12 months, the index of prices received by U. S. farmers dropped five points to 244 percent of the 1910-14 average. Over the same period, the index of prices paid by farmers rose two points to

279 percent of the 1910-14 average. Thus, parity ratio (ratio of prices received to prices paid) declined from 90 to 87.

During the past month, the index of prices received by U. S. farmers was up 2 points while the index of prices paid by farmers was unchanged. However, the rise in prices received was not enough to change the parity ratio.

In Oklahoma, November 1954 prices received by farmers averaged two percent higher than in November a year ago. Price decreases in livestock and livestock products group (eight percent) only partially offset price increases (seven percent) in the crops group.

By commodity groups, the greatest decline from a year ago occurred for poultry products. Chickens and eggs averaged about 30 percent lower than a year ago. Dairy products registered a price decline of 11 percent, which reflected the change from 90 to 75 percent of parity support prices.

For the groups with price increases over a year ago, grains were up three percent, cotton and cottonseed were up eight percent, and miscellaneous crops (excluding potatoes) were up 18 percent. Miscellaneous crops reflect the current high price of hay resulting from the drought conditions of the State.

Oklahoma prices received by farmers in November averaged one percent lower than a month earlier, but the trends were mixed. Dairy products, chickens and eggs, miscellaneous crops and grains were higher while the meat animal and the cotton and cottonseed groups were lower. All these price changes were less than 5 percent in size.

1955 U. S. FARMER INCOME

United States cash receipts from the sale of agricultural products in 1955 are expected to continue a downward movement which began in 1952. Farmers cash receipts in 1954 are now estimated at 30.2 billion dollars, or down about four percent from the previous year.* A continuation of this trend would indicate a decline up to three to four percent in cash receipts for 1955. Since the volume of production for sale should be about the same as in 1954, the reduction in cash receipts will be caused by somewhat lower prices.

Farm production expenses are also expected to go down in 1955, but the decline may be somewhat less than for cash receipts. Less

*The Demand and Price Situation, A.M.S., U.S.D.A., October, 1954, page 26.

labor, machinery, and other operating items should be purchased, which would cut down on these expenditures.

With declining production expenditures along with declining cash receipts, net farm income may decrease only slightly from the 1954 level of 12.5 billion dollars. Since only a slight decline is expected next year, this net farm income may range from 12.0 to 12.5 billion dollars.

1955 OKLAHOMA FARM INCOME

Farmers' cash receipts in Oklahoma should follow the national trend downward if weather conditions are average. Both crop and livestock receipts should decline. Production expenditures also may decline to leave only a slight decrease in net farm income in Oklahoma for 1955. Of course good weather conditions would increase receipts and income, while poor weather would reduce them.

In spite of the widespread drought in Oklahoma, cash receipts during the first eight months in 1954 were practically unchanged from the same period of 1953. The small grain crop earlier in the year was responsible for a large part of this stability. In general, the increase in receipts from the sale of crops just about offset the decrease in receipts from the sale of livestock and livestock products.—**Leo V. Blakley**

Livestock Outlook

BEEF CATTLE

Meat production in 1955 is expected to be approximately equal to the record output of 1954. Production in 1954 as compared with five years ago is up 20 percent. Beef output has increased most.

Although total meat production in 1955 is expected to change by only a small amount, there will be changes in the makeup of production. Decreased output of beef, for example, is expected to be off-set by increased pork output.

Cattle numbers are near their all-time high. Hence, production capacity for beef remains large. If a cyclical period of declining cattle numbers is being entered as seems likely, slaughter will remain high for several years as output from decreasing inventories is added to that of current production. Slaughter of calves, cows and heifers has been increasing for the past two years (Fig. 1). Slaughter of calves is expected to rise in 1955.

Indications are that marked changes will not occur in 1955 in prices of meat or meat animals. Prices of higher grades of slaughter

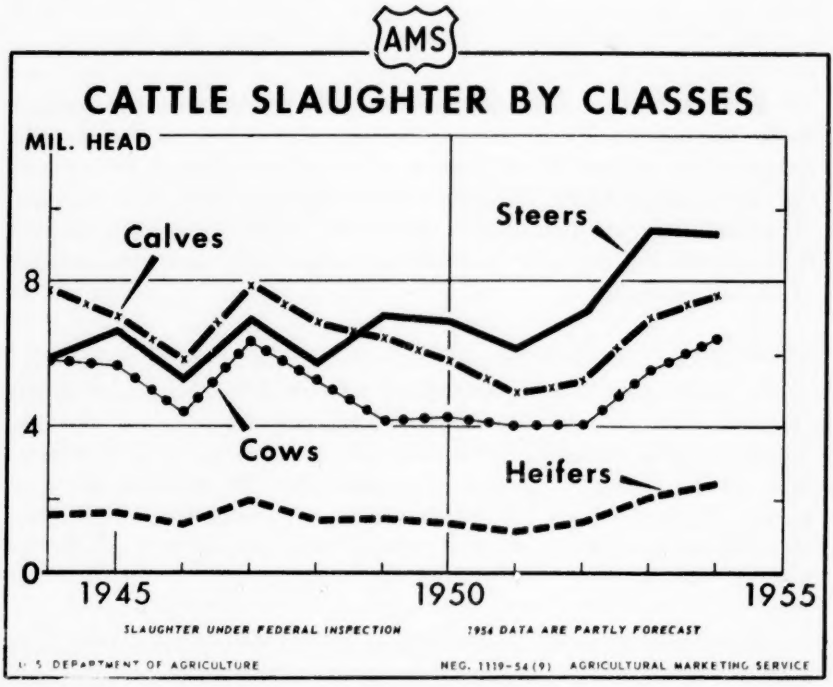
cattle are expected to hold up well. Grass cattle and other cattle of lower grades will likely continue receiving heavy discounts.

—**Robert L. Tontz**

DAIRYING

Another high milk production year is expected for 1955. Milk production probably will approach the 1954 total of 124 billion pounds, but with a different distribution between the states. Production may be down in the drought states and it probably will be up in the other states.

Even though dairy product prices are less favorable than a year ago, there are two incentives for continued large dairy production. First, farmers will try to maintain income by using diverted acres for



In 1954 more cows, heifers and calves are being slaughtered than last year. Steer slaughter is slightly below the 1953 high mark.

The cow slaughter rate in 1954 is a new record but only a little above the rate in 1944-47. Relative to the size of inventories it is no higher than in those years. It appears high enough to halt expansion but not to force a sharp reduction in cow inventories.

Indications are for the number of all cattle and calves on farms January 1, 1955 to be down a little, with most of the reduction in yearling steers and heifers. Cattle slaughter in 1955 may not be greatly different from 1954. Calf slaughter, however, will likely increase.

the production of crops or commodities which have no restrictions. This will apply to dairy, beef, hogs, poultry and some of the feed crops. Second, dairy product prices have declined relatively less than the prices of some of the other commodities such as beef or poultry. Therefore, some resources may be diverted to dairy (for example, some resources now used in beef production may be switched to the production of dairy products.) Both developments indicate about the same number of dairy cows in 1955 as this year, with output per cow close to the 1954 level.

Demand for dairy products during the coming year is expected to be strong, since consumer incomes are expected to remain high and population will increase. At least 120 billion pounds should be consumed even if consumption per person does not increase. This is up from the estimated 118.5 billion pounds consumed in 1954.

It is entirely possible that consumption per person could rise in 1955. The special school lunch program is designed to increase the consumption of milk by children in non-profit schools of high school age and under. This should increase aggregate milk consumption somewhat above current levels. In addition, 1955 may show a continuation of the long run trend toward larger per capita consumption of dairy products.

Production of 124 billion pounds and consumption of around 120 to 121 billion pounds will still leave a surplus of roughly 3 to 4 billion pounds. Consequently, the Commodity Credit Corporation will still make sizable purchases in the market place. However, it is anticipated that the net change in government stocks will be small. Some CCC stocks of dairy products will be used in export channels through relief, recombined products (combining butter and non-fat dry powder in foreign countries), and trade for foreign currencies.

Dairy product prices may stay near the support levels during 1955. This will mean prices somewhat lower than in 1954 but comparable with average prices during the past nine months (with price supports at 75% of parity). In turn, cash receipts from the sale of dairy products should average about 4.0 billion dollars in 1955—down .2 billion from 1954.

In Oklahoma the drought has curtailed dairy production during the past few months and fluid milk prices have risen. With average condi-

tions in 1955 and with increased acreages of feed crops, milk production is expected to increase from the present level. If this materializes, 1955 fluid milk prices may average above 1954 prices until mid-summer then move below 1954 prices for the rest of the year.—**A. W. Jacob**

HOGS

United States—The fall pig crop for the United States is currently estimated at 35 million head. This is about three million above the fall crop of a year ago and places the total for the year in excess of 91 million. A crop this size is slightly less than the 1950-54 average but ten million more than for last year. However, the 1953 pig crop was the smallest since 1940 and the only year since 1948 that it has been less than 91 million.

The favorable hog-corn price ratio in 1953 and for most of this year has been responsible for a large part of the increase in the pig crops of the past spring and fall. This ratio has risen from a low of 11.0 in 1952 to 15.0 in 1953 and is expected to be about 15.4 for this year. From April, 1953, through August, 1954, seventeen months, this ratio remained above 14.0. By September, this year, however, it had dropped sharply to 12.9, reflecting an earlier than usual seasonal break in hog prices. In October, the ratio had dropped slightly to 12.7, but it stood at 13.6 in November.

Hog slaughter expressed as a percentage of the combined spring and fall pig crops has been declining since 1952 when it stood at 95 percent. In 1953 slaughter was 92 percent of the combined pig crops and for 1954, 81 percent is indicated. These figures suggest that larger numbers are being held back this year for later marketings, for breeding purposes, or both. This development together with the cumulative effect of the farmer responses to the prolonged favorable hog-corn price ratio is likely to result in rather substantial increases in pork production for 1955. Thus, the hog-corn price ratio likely will be held at lower levels in 1955 than has been the case for the past year.

This year's pork production is estimated at 10,175 million pounds —112 million larger than in 1953. With the general increase in population, per capita consumption of pork dropped from 62.9 lbs. to 62.0 lbs. This is the lowest per capita consumption for any year since 1938.

The effect of this year's corn crop on hog prices in 1955 depends in part upon the amount of free corn available for feeding. Early esti-

mates indicated that farmers were over planting their acreage allotments. Thus, even with a smaller corn crop than expected free corn may be about as large as last year. With larger number of hogs being held on farms this year than last corn supplies may become tight and corn prices can be expected to rise above last year's prices.

Oklahoma—The spring pig crop report indicated that farmers in Oklahoma intended to have about 53 thousand sows farrowing this fall. If this has been true and if an average of 6.4 pigs per litter were saved, the fall pig crop in Oklahoma should be about 339 thousand head. Together with the spring crop of 462 thousand this would be a total of 801 thousand for the year. In view of the extremely dry weather since these intentions were published, feed prospects may have forced farmers to revise these plans downward. However, the hog-corn price ratio suggests that farmers may have been trying to feed as many hogs as their feed supplies would permit. For 16 months, between May 15, 1953, and August 15, 1954, this price ratio remained above 14.0, following very closely to the pattern for the United States as a whole. The Oklahoma ratio at 13.38 did not fall as low as for the United States in September, but the ratio dropped below the United States average of 12.7 to 12.47 in October and it was down to 12.22 in November. This is a move in the opposite direction from the United States average of 13.6 for November.

Since September, corn prices have advanced steadily in Oklahoma while hog prices have either dropped sharply or held steady. The three cents per bushel advance in corn prices for November over October caused the hog-corn price ratio in Oklahoma to drop since hog prices were unchanged. This suggests a tightening up of corn supplies and a probable lower hog-corn price ratio for early 1955, unless hog prices increase relatively more than the expected rise in corn prices. Moreover, the drouth has severely limited the supplies of other grains in Oklahoma which might be used for hog feeding.

The current trend in the hog-corn price ratio plus the poor prospects for feed supplies may have curtailed not only the fall pig crop but the spring pig crop as well.—**Kenneth B. Boggs**

SHEEP, LAMBS, AND WOOL

Sheep and Lambs.—More sheep and lambs were slaughtered in 1954 than were raised. The number on farms on January 1, 1955, will be down from a year earlier. In spite of the downward trend the past few years, the sheep industry will still be of considerable size in the U. S. There has been a tendency toward greater numbers in farm flocks in the

South and mid-West as compared with western range areas. However, it is unlikely that the number of sheep in the forseeable future will come anywhere close to the pre-war highs. Pre-war averages of sheep and lambs on farms exceeded 50 million. Since 1946 the average number on January 1 each year has been around 32 million.

With the continued decline in numbers, slaughter of sheep and lambs in 1955 is expected to be even lower than in 1954 when 735 million pounds of lamb and mutton meats were produced. Because of the smaller supplies of dressed lamb, stable prices seem likely for 1955. No substantial change is expected, however, in the price relationship of lamb and competing meats. Lamb prices usually bear a fairly stable relationship to prices for steers. Thus until cattle prices make a substantial recovery, lamb prices are not likely to change much.

Any strengthening in sheep and lamb prices may come through the fact that support prices for wool will be higher in 1955. This may be an incentive for sheep growers to maintain or even increase their flocks. If growers do attempt to increase their flocks, slaughter supplies will be decreased. This should react favorably on prices.

Wool.—The 1954 farm price of wool averaged very close to the price a year earlier and was just above 90 percent of parity. Prices received by domestic growers for shorn wool averaged 53.5 to 55.5 cents per pound (grease basis) in 1954.

Growers probably will receive higher gross returns during the next four years since support prices are permissible up to 110 percent of parity. Under the announced program for 1955 the average support level will be 62 cents per pound (grease basis) to the grower, which is equivalent to 106 percent of parity.

Under the 1955 program the price of domestic wool will seek its own level under current tariff protection. This competitive market price will enable domestic wools to move into consumption when world market prices are below support levels. Furthermore, it will allow wool to compete more freely on a price basis with other fibers. If necessary, under this program, direct payment will be made to growers to bring their average returns (market price plus the payment) up to the average support level of 62 cents. Pulled wool will be supported through payment on marketings of live sheep and lamps.—**L. A. Parcher**

POULTRY AND EGGS

Eggs.—Egg prices will decrease continuously during the first half

of 1955. Egg prices have been unusually low the last half of 1954 because production has been large.

Monthly production established new records for each month after May, 1953. U. S. production for the two months September and October in 1953 was only 349.2 and 393.3 million dozen compared with 383.7 and 416.2 for the two months in 1954. This up-surge in production resulted in the lowest U. S. price for the current season in October of 32.4 cents per dozen; Oklahoma producers received 28.9 cents on the same date. The low for Oklahoma producers in 1954 was 25.4 cents per dozen in June.

Monthly egg production supply will increase seasonally and as a result, egg prices can be expected to decline continuously for several months. Although monthly production in 1954 exceeded the 1953 output on the average by eight percent, it is not likely that this rate will continue throughout the first four months of 1955. More than likely it will taper off to three or four percent by February. It may not exceed the high monthly records established last March and April of 525 and 508 million dozen.

Feed.—Feed prices, particularly poultry rations, have remained very stable throughout the season and there are no indications that feed costs will vary much from the June-October average of $3.66 for Oklahoma producers. Grains could possible decline slightly. However, the decline will not be enough to move the egg-feed ratio above the October level of 7.9. Any reduction in feed prices may be counter balanced by a decrease in egg prices.

Depressed conditions in the poultry industry probably indicates similar conditions in other agricultural enterprises, such as dairying, pork, and beef production which could be alternatives for the individual poultry producer. However, prices received by farmers as percentages of parity, are lowest in the poultry industry. Since egg prices are at 64 percent of parity and chicken prices are at 59 percent of parity, shifts of resources out of poultry production are anticipated. At least those additional producers and capital entering poultry production should be less than those leaving.

Turkeys.—Turkey producers have experienced unusually low prices for current marketings. Larger than normal stocks of frozen turkeys will prevent the market from making any substantial advance during the growing season. However, based on testing of turkey hens for in-

clusion in 1955 laying flocks since October 15, indications are for an expansion in turkey production. Evidently, expectations are for declines in production costs, particularly for feed, which might be justified since cross compliance is not mandatory in 1955. However, expansion should be undertaken with caution and is very risky.

Broilers.—Weekly broiler replacements declined below the 1953 level in October which will reduce the offerings for January and February. However, the adjustment in production to higher prices may be large. The market will not justify the expansion in production which is likely to occur as a result of an increase in prices of 3 to 5 cents per pound for the smaller output in January and February.—**K. C. Davis**

Crop Outlook

COTTON

The cotton supply in the United States for the 1954-55 marketing season is estimated at about 23.4 million bales. This supply is composed of the 1954 crop estimated at 13.6 million bales as of December 1, a carryover on August 1, 1954 of 9.6 million bales, and estimated imports during the season of about 200 thousand bales.

Domestic mill consumption during the 1954-55 season is estimated at about 9.2 million bales or 600 thousand bales more than last season. Exports are expected to be about 4.5 million bales during the 1954-55 season, an increase of 700 thousand bales compared with last seasons exports of 3.8 million bales.

Total disappearance for the 1954-55 season is estimated at 13.7 million bales compared with 12.4 million bales last season, or an increase of about 1.3 million bales.

According to the U. S. Department of Agriculture, continued high level economic activity can be expected in the foreign free world countries during the 1954-55 season. If the strong economic conditions prevail cotton consumption during the year will likely be about 18.0 million bales, or very little changed from the post-World War II high of 18.3 million bales consumed by the free world countries during the 1953-54 season.[1]

Present cotton production in the foreign free world countries for the 1954-55 season is estimated at about 14.7 million bales compared

[1] The Cotton Situation, A.M.S., U.S.D.A., October 20, 1954, p. 9.

with about 13.7 million bales during 1953-54 or an increase of about 1 million bales.

On August 1, 1954, however, "stocks of cotton abroad were at a low level. The total for the foreign free world including cotton afloat was 8.7 million bales, compared with 10.2 million a year earlier. Stocks in importing countries were about the same on August 1, 1954 as a year earlier, approximately 4.8 million bales, and probably were at the minimum levels needed to maintain efficient mill operations. Stocks in exporting countries of about 3.4 million bales were approximately 1.6 million smaller than on August 1, 1953."[2]

The cotton marketing quota in the United States for 1955 was set at ten million bales, and the national acreage allotments at 18.1 million acres. The support level for upland cotton under the Agricultural Act of 1954 will range from 82.5 percent to 90 percent of parity, depending upon the relation of actual supply to normal supply.[3]

—Raymond B. Marshall

WHEAT

The wheat outlook is not good but some parts of it are better than they were in late summer. Drought is the most unfavorable aspect of the outlook to the Oklahoma farmer. Under present conditions Oklahoma wheat production may be no more than 45 million bushels which is less than two-thirds our average production and less than one-half our peak production of recent years.

Modified regulations.—Announcement has recently been made of the elimination of cross compliance as a requirement for eligibility for price support to the farmer on any supported commodity next year. Farmers are therefore free to raise any crop they wish on idle acreages from crop controls. Earlier in September the total acreage allotment provision of the government program was eliminated. For the 1955 crop the producer may seed as much wheat as he wishes but he may not harvest as grain an acreage greater than his allotment.

It has been recently announced that support prices for oats, barley, rye, and grain sorghums produced in 1955 will reflect 70 percent of the November 15, 1954, parity price. This announcement has tended to make the grain market weaker.

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[2] The Cotton Situation, A.M.S., U.S.D.A., October 20, 1954.
[3] The Cotton Situation, A.M.S., U.S.D.A., October 20, 1954. p. 16.

Large Supplies.—Wheat supplies continue large—the largest on record—in the 1954-55 marketing year. These supplies of 1,862 million bushels are made up of a carryover of 903 million bushels and a crop of 959 million bushels. Imports which may exceed six million bushels will be mostly damaged feeding quality wheat from Canada.

Slightly Improved Demand.—The use of wheat in this country will likely be a little higher this year than last—660 million bushels as compared with 617 million bushels in 1953-54. Food use (490) will be about the same. Feed use (over 100) will be almost doubled. Seed use (65) will be down about five million bushels.

With total supplies of 1,862 million bushels and a disappearance of approximately 660 million bushels, an amount in the neighborhood of 1,200 million bushels will be available for export and carryover. The carryover next year will continue large.

Likely Increased Exports.—Exports this year may approach 250 million bushels. This would be an appreciable increase over the exports of 216 million bushels last year. European wheat is of poor quality. U. S. sales under the International Wheat Agreement are about one-third greater in volume for the marketing year thus far than they were at a similar time last year. Shipments were little more than half the quota last year.

Estimated world wheat production of 6,790 million bushels is almost one-half billion bushels less than the large 1953 harvest. However, it is almost one billion bushels more than the 1945-49 average.

Price.—U. S. wheat prices have continued strong for most of this crop year. By mid-November they had advanced to levels 30 to 40 cents above the lows in June. The major reason for this strength is the shortage of "free" wheat in relation to the market requirements. Although U. S. wheat supplies are huge, the amount not under loan or government owned on October 1 was only about 580 million bushels. This would be needed to cover a domestic use of approximately 500 million bushels plus exports from "free" wheat. Furthermore more wheat may be placed under loan. However, as the market price becomes more attractive than the loan, wheat will move into the markets.

—**Adlowe L. Larson**

FEED

United States*—Supplies of feed grains and other concentrates for the 1954-55 season are about four percent above last year—a near record high. However, the number of grain consuming livestock is expected to increase enough to leave the supply per animal unit substantially the same as last year. With average rates of feeding, disappearance will be about the same as 1954 production. Thus, the carryover into 1955-56 will be approximately equal to the 31 million ton carryover into the current feeding year.

Generally for the 1954-55 season, corn supplies are lower than requirements while oats, barley, and grain sorghums are larger than average. However, the distribution of feed grains is quite uneven as between the States or major areas of the U. S. The Southwest and South apparently have the least feed while the North Central region has more than ample supplies.

Feed prices in the 1954-55 feeding season are expected to average near the 1953-54 levels. Since drought conditions were experienced in both years, considerable differences in feed prices from longtime averages may prevail in the drought areas. Seasonal increases in feed prices are expected with corn possibly advancing most as "free" corn supplies become tight. Oats and barley prices should continue low relative to corn prices.

Supplies and prices of high protein feed may be the same in 1954-55 as this year. More soybean oil and cake should be produced at lower average prices, but this will be offset by decreases in supplies and higher prices of cottonseed meal and dried milk products.

Hay supplies are larger than last year, but are very short in some areas. Supplies per animal unit should be smaller since production was not as great as the expected increase in the number of livestock to be fed.

Oklahoma—Stocks of feed grains (excluding wheat) were reported at about 17 million bushels on October 1.** This includes only "old" stocks of both corn and sorghum grain and is about 75 percent larger than stocks a year ago. Stocks plus the 1954 feed crop production will be larger than last year but considerably below the ten year average.

** Calculated from *Stocks of Wheat & Feed Grains, October 1, 1954*, Oklahoma Crop and Livestock Reporting Service; A.M.S., U.S.D.A., Oklahoma City, Oklahoma, October 25, 1954.
* Summarized from the *Demand and Price Situation*, A.M.S., U.S.D.A., October 1954.

Feed supplies will continue tight with relatively high prices throughout the current feeding and wintering season. With severe weather in January or February, scarcity of feed might cause appreciable increases in feed prices. With milder weather during the winter, the usual seasonal increases from present levels can be expected for the feed grains.

Oats and barley prices should continue relatively low compared with corn prices through the first half of 1955. For the last half of 1955, support prices for these grains as well as grain sorghum will be lower, but acreages will not be restricted. Thus, larger acreages will be planted which, with average weather conditions, will increase production and decrease prices beginning in July 1955.—**Leo V. Blakley**

INDEX

Vol. 27, 1954

Agricultural Situation ..... 3; 19; 43; 63; 79;—;101

Articles

Seed Cotton Houses as a Means of Adjusting Gin Operations To Mechanical Cotton Harvesting 30

Statistics of Agricultural Prices ..... 13; 36; 55; 72; 90;—;116

Table 1.—Prices Received by Farmers for Oklahoma Farm Products. (Dollars)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghum	Cotton-lint	Cotton seed	White potatoes	Sweet potatoes	Soybeans	Peanuts	Alfalfa seed
1952		2.17	1.79	.97	1.40	1.76	1.51	.336	70.50	2.70	3.66	2.65	.094	24.26
1953		2.05	1.54	.85	1.25	1.47	1.36	.289	60.42	1.73*	3.32	2.43	.113	14.65
1953	Nov.	2.12	1.41	.85	1.23	1.46	1.20	.284	50.00	1.40	2.70	2.25	.108	12.00
	Dec.	2.13	1.43	.87	1.23	1.46	1.20	.273	50.00	1.40	2.55	2.45	.111	11.88
1954	Jan.	2.14	1.47	.89	1.23	1.35	1.23	.272	50.00	1.40	2.80	2.45	.111	12.90
	Feb.	2.16	1.49	.91	1.22	1.30	1.26	.290	50.00	1.50	3.00	2.55	.111	13.50
	Mar.	2.19	1.50	.87	1.20	1.30	1.29	.290	50.00	---	3.00	2.80	.111	14.70
	April	2.17	1.50	.86	1.17	1.23	1.32	.310	50.00	---	2.85	3.00	.110	24.70
	May	2.10	1.49	.82	1.15	1.10	1.34	.315	51.00	---	2.70	3.00	.110	23.50
	June	1.91	1.49	.64	.81	.98	1.29	.315	50.00	---	2.70	3.15	.110	21.00
	July	2.06	1.50	.66	.88	.95	1.23	.310	50.00	---	2.70	3.15	.110	21.50
	Aug.	2.09	1.50	.73	.98	1.05	1.32	.315	50.00	---	2.60	2.90	.110	28.00
	Sept.	2.13	1.48	.78	1.04	1.15	1.23	.317	60.00	---	2.80	2.35	.112	22.60
	Oct.	2.15	1.50	.82	1.12	1.25	1.20	.314	58.00	---	2.80	2.30	.110	24.60
	Nov.	2.18	1.53	.86	1.15	1.25	1.23	.304	57.00	---	2.80	2.35	.118	25.60

		All hay	Alfalfa hay	Prairie hay	Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs	Turkeys
1952		30.09	37.71	23.71	22.96	25.99	9.91	24.62	18.22	5.49*	.67	.223	.364	.288
1953		26.67	31.87	21.21	14.58*	16.28*	6.44*	20.17*	21.62*	4.60	.59	.230*	.417	.281
1953	Sept.	20.40	25.40	16.80	12.60	13.50*	5.10*	18.00*	24.00	4.55	.57	.219*	.432	.280
	Oct.	21.20	26.70	16.80	11.30	12.60	5.10*	17.20	21.20*	4.85	.58	.227*	.453	.320
	Nov.	22.30	27.90	18.00	12.30	13.60*	5.10*	18.40*	20.50*	4.90	.60	.216*	.447	.320
	Dec.	22.90	28.10	18.80	13.10	14.80	5.70*	16.90	22.70*	4.75	.61	.227*	.476	.330
1954	Jan.	23.20	28.10	18.80	13.80	15.90	5.50	18.00	24.50	4.55*	.60	.211	.432	.310
	Feb.	22.60	27.60	17.80	14.40	16.30	6.50	19.00	25.10	4.35	.60	.206	.406	.300
	Mar.	20.90	25.20	17.00	14.80	16.60	7.00	21.50	24.80	4.25*	.56	.216	.316	.300
	Apr.	20.40	25.20	16.40	15.20	17.70	8.00	22.50	26.30	3.85	.50	.197	.270	.300
	May	18.50	21.90	15.60	15.70	18.80	7.30	24.50	26.00	3.65*	.50	.189	.271	.270
	June	16.10	18.00	14.00	15.00	17.50	6.40	22.50	24.50	3.60	.50	.178	.254	.260
	July	17.10	20.50	13.20	13.70	15.40	5.90	20.00	23.00	3.85*	.49	.180	.263	.240
	Aug.	23.20	27.60	18.80	13.20	15.40	4.50	18.90	22.70	4.25	.48	.177	.394	.250
	Sept.	25.00	30.00	20.00	13.30	15.20	5.20	17.70	19.80	4.70	.50	.170	.320	.260
	Oct.	26.30	31.40	22.00	13.00	15.80	4.80	17.20	18.70	4.75	.50	.162	.289	.260
	Nov.	27.20	32.00	23.00	12.50	15.30	5.00	17.80	18.70	4.65	.52	.167	.298	.270

SOURCE: *Prices Received by Farmers*, Agricultural Market Service, U.S.D.A., Oklahoma City, Oklahoma, Monthly Releases or *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C.

* Revised

Table 2.—Index Numbers of Prices Received by Farmers for Oklahoma Farm Products[1]
(Percent of 1910-14 Average)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghums	Cotton-lint	Cotton-seed	White potatoes	Sweet potatoes	All hay
1952		252	275	216	237	205	222	298	360	243	297	341
1953		239	237	189	211	171	199	256	309	156*	269	302
1953	Nov.	246	217	189	208	170	176	251	256	126	220	253
	Dec.	248	220	193	208	170	176	242	256	126	207	260
1954	Jan.	249	226	198	208	157	181	241	256	126	228	263
	Feb.	251	229	202	207	152	185	257	256	135	244	256
	Mar.	255	231	193	203	152	190	257	256	---	244	237
	Apr.	252	231	191	198	143	194	274	256	---	232	231
	May	244	229	182	195	129	197	279	261	---	220	210
	June	222	229	142	138	114	190	279	256	---	220	182
	July	240	231	147	149	111	181	274	256	---	220	194
	Aug.	243	231	162	166	122	194	279	256	---	211	263
	Sept.	248	228	173	176	134	181	281	307	---	228	283
	Oct.	250	231	182	190	146	176	278	296	---	228	298
	Nov.	253	235	191	195	145	181	269	291	---	228	308

		Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs
1952		475	435	214	422	259	284*	287	237	204
1953		302*	272*	140*	346	307	238	251	244*	234
	Nov.	255	228*	111*	316*	291*	254	256	230*	251
	Dec.	271	248	124*	290	322*	246	261	241*	267
1954	Jan.	286	266	119	309	348	236*	256	224	243
	Feb.	298	273	140	326	356	225	256	219	228
	Mar.	306	278	151	369	352	220*	239	230	178
	Apr.	315	296	173	386	374	197	214	210	152
	May	325	315	157	421	369	189*	214	201	152
	June	311	293	138	386	348	187	214	189	143
	July	284	258	127	343	327	199*	209	191	148
	Aug.	273	258	97	324	322	220	205	188	221
	Sept.	275	255	114	303	281	243	214	181	180
	Oct.	269	265	103	295	266	246	214	172	162
	Nov.	259	256	108	305	266	241	222	178	167

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. & M. College, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma and Washington, D. C.
For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics* and *Current Farm Economics*, Okla. Expt. Sta. series 49, Vol. 13, Nos. 1 and 2, Feb. Apr., 1940. Tables 16-19, and subsequent issues.

[1] For the index of purchasing power of a unit of an individual commodity in terms of commodities used in farm production and family living, divide the index of price received by Oklahoma farmers (in this table) by the index of prices paid by United States farmers (in Table 4) for the same month and multiply by 100.

* Revised.

Table 3.—Price Indexes of Groups of Oklahoma Farm Products.
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L.S. products	Meat animals	Dairy products	Chickens and eggs
1952		305	286	252	304	305	351*	414	287*	213
1953		260*	252	234	261	254	279*	301	246	237*
1953	Nov.	249	245	237	252	210	258*	263*	256	245*
	Dec.	250	240	239	243	212	274*	283	256	260*
1954	Jan.	252	241	241	242	217	279	301	249*	238
	Feb.	260	251	243	256	219	283	312	247	226
	Mar.	260*	252	246	256	239	277*	317	233*	192
	Apr.	265	261	244	272	231	275	330	208	167
	May	266	261	237	277	212	279*	337	205*	165
	June	257	253	218	276	192	266	320	205	155
	July	255	256	231	272	200	251	294	206*	160
	Aug.	260	261	235	276	250	257	286	210	212
	Sept.	261	267	239	283	270	247	275	224	180
	Oct.	258	266	241	280	281	240	268	225	165
	Nov.	255	262	245	271	289	237	261	228	170

Purchasing Power Indexes[1] of Groups of Oklahoma Farm Products.
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L.S. products	Meat animals	Dairy products	Chickens and eggs
1952		106	99	87	105	106	122	143	99	74
1953		91	88	82	92	90	98	106	86	83*
1953	Nov.	88	86	84	89	74	91	93*	90	86
	Dec.	88	85	84	86	75	97*	100	90	92*
1954	Jan.	89	85	85	85	76	98	106	88*	84
	Feb.	92	88	86	90	77	100	110	87	80
	Mar.	91*	88	86	90	84	97*	111	81*	67
	Apr.	92	91	85	94	80	95	114	72	58
	May	92	91	82	96	74	97	117	71*	57
	June	90	88	76	96	67	93	111	71	54
	July	89	89	80	95	70	87	102	72	56
	Aug.	91	91	82	96	87	90	100	73	74
	Sept.	92	94	84	99	95	87	96	79	63
	Oct.	91	94	85	99	99	85	95	80	58
	Nov.	90	92	86	95	102	83	92	80	60

SOURCE: Compiled by Dept. Agri. Econ., Okla. A. and M. College, from data supplied by Agricultural Marketing Service, U. S. D. A., Oklahoma City, Oklahoma, and Washington, D. C.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in farm living and production. For individual commodities see footnote 1 of Table 2.

* Revised.

* Revised.

Table 4.—Index Numbers in the United States, Index of Demand Deposits in Oklahoma, and Oklahoma Price Ratios.

		United States index numbers of:				Index of demand deposits in Oklahoma[2] [3] (1923-25=100)	Oklahoma price ratios[4]			
		Prices received by farmers (1910-14=100)	Prices paid by farmers (1910-14=100)	Wholesale prices (1910-14=100)	Factory payrolls[1] (1947-49=100)		Hog corn	Egg feed	Turkey feed	Milk feed
1949		251	253	226	97.2	347.4	14.97	12.0	9.9	1.569
1950		256	261	236	111.7	346.8	14.21	9.4	7.6	1.442
1951		302	284	262	129.8*	273.1	12.82	10.8	8.0	1.509
1952		288	288	250	136.6*	293.2	10.20	8.9	7.0	1.533*
1953		258	284	247	151.6*	289.3	14.04*	11.2	7.6	1.520
1953	Nov.	249	283	247	148.0*	293.1	14.54*	12.6	9.0	1.770
	Dec.	254	283	247	147.2*	293.9	15.87*	13.1	9.1	1.674
1954	Jan.	259	284	248*	140.8*	294.2	16.67	11.8	8.4	1.571*
	Feb.	258	284	247	140.5*	286.3*	16.84	10.9	8.1	1.464
	Mar.	256	286	249	138.4	284.0	16.53	8.4	8.0	1.419*
	Apr.	257	288	249	135.0*	281.8	17.53	7.1	7.9	1.226*
	May	258	288	249	135.1*	280.0	17.45	7.2	7.2	1.224*
	June	248	287	247	136.6	283.4	16.44	7.0	7.1	1.308
	July	247	287	247	132.3	293.9	15.33	7.2	6.6	1.422*
	Aug.	251	287	247	135.1	292.5	15.13	10.7	6.8	1.506
	Sept.	246	285	247	138.4	290.0	13.38	8.8	7.1	1.641
	Oct.	242	283	247	----	292.1	12.47	7.9	7.1	1.625
	Nov.	244	284	247	----	----	12.22	8.1	7.3	1.510

SOURCE: Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta. from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Unadjusted for seasonal variation.

[2] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[3] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2. Feb.-Apr., 1940. p. 41.

[4] The number of bushels of corn or pounds of feed which one unit of the commodity (100 pounds of hogs, one dozen eggs, one pound of turkeys or milk) will purchase. Prices used are the official A.M.S. estimates of prices received by Oklahoma farmers except for commercial feeds or ingredients which are official A.M.S. estimates of prices paid by Oklahoma farmers. These ratios are computed on the basis of fixed rations and are not directly comparable with ratios computed from other rations. The composition of each ration used is available upon request.

* Revised.

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